
OFFICE OF THE INDEPENDENT BUDGET ANALYST REPORT

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Timetable for Development of Structural Budget Deficit Elimination Plan

OVERVIEW

In December 2009, the City Council adopted resolutions to enact budgetary reductions for FY 2010 and approved a plan for FY 2011 for the General Fund Budget. In addition, the Council directed that the Mayor, IBA, and Council develop and implement a strategic plan designed to eliminate the structural budget deficit within the next 18 months.

In January 2010, the IBA issued Report No. 10-01 in which the IBA compiled guiding principles and key elements of recommendations from varied sources on addressing financial distress and budgetary deficits. From these resources, the IBA suggested eleven guiding principles for consideration by the Mayor and City Council as a foundation for the development of a Structural Budget Deficit Elimination Plan.

Input on the Structural Budget Deficit Elimination Plan was received from all members of the City Council, and recommended changes to the guiding principles were provided by the City's Chief Operating Officer Jay Goldstone and Chief Financial Officer Mary Lewis. At the City Council meeting of February 22, 2010, the guiding principles were discussed and amendments to address concerns that were raised were incorporated, and the revised guiding principles were adopted ([Attachment 1](#)).

FISCAL/POLICY DISCUSSION

Previous IBA reports described that an action plan with implementation steps and timeframes could be developed and brought to the Budget and Finance Committee for review and discussion, and forwarded to the City Council for adoption, once principles had been adopted. A draft timetable for the development of a Structural Budget Deficit Elimination Plan has been prepared ([Attachment 2](#)). The draft timetable shows the many concurrent efforts underway that will contribute to the policy discussion in several key areas related to the eleven guiding principles, specifically the retiree health study and related labor negotiations, and work to be done to calculate the City's deferred maintenance needs. In addition, other important inputs will include the results of the Citizen Survey, and the final report and recommendations from the Citizen's Revenue Review and Economic Competitiveness Commission. These various efforts will culminate in a Structural Budget Deficit Elimination Plan being issued in September 2010.

CONCLUSION

In December 2009, the Council directed that the Mayor, IBA, and Council develop and implement a strategic plan designed to eliminate the structural budget deficit within the next 18 months. In January 2010, the IBA compiled guiding principles and key elements of recommendations from varied sources on addressing financial distress and budgetary deficits and suggested eleven guiding principles for consideration by the Mayor and City Council as a foundation for the development of a Structural Budget Deficit Elimination Plan. After addressing concerns raised by the City's COO and CFO, the City Council adopted eleven revised guiding principles on February 22, 2010. A draft timetable for the development of a Structural Budget Deficit Elimination Plan has been prepared for discussion purposes. Various inputs will become available over the next several months that will assist in formulating the policy discussion, including the results of the Citizen Survey, the report from the Citizen's Revenue Review and Economic Competitiveness Commission, and the budget deliberation process for Fiscal Year 2011. These various efforts will culminate in a Structural Budget Deficit Elimination Plan being issued in September 2010.

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Attachments

1. [Structural Budget Deficit Elimination Guiding Principles](#)
2. [Timetable for Development of Structural Budget Deficit Elimination Plan](#)